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January 9, 2012

Jocelyn Boyd, Esq.
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

Dear Ms. Boyd:

AT&T South Carolina respectfully submits this letter to: (a) give the Commission notice that effective January 22, 2012, AT&T South Carolina will increase prices for its stand-alone basic residential lines that remain subject to the inflation-based price index set forth in S.C. Code Ann. §58-9-576(C)(2); and (b) demonstrate AT&T South Carolina's compliance with that index.¹

AT&T South Carolina "may increase its rates for [these lines] on an annual basis by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index, as reported by the United States Department of Labor, Bureau of Labor Statistics." *See* S.C. Code Ann. §58-9-576(C)(2). Attachment A to this letter reflects a 2.37% increase in the GDP-PI from the third quarter 2010 (111.162) to the third quarter 2011 (113.796).

Attachment B to this letter reflects AT&T South Carolina's current prices for these lines in each rate group (which have remained unchanged since at least November 1, 2008) and the new prices AT&T South Carolina will begin charging for these services in each rate group on January 22, 2012. In each instance, the new rate is no more than 2.37% higher than the current rate.

Yours very truly,

Executive Director

cc: Dawn Hipp, ORS
Tom Allen, ORS

¹ *See* AT&T South Carolina's September 25, 2009 Letter Submitting Tariff Revisions (stating that on a going-forward basis, AT&T South Carolina will make appropriate filings with the Commission, with copies to the ORS, to give notice of such increases and to demonstrate compliance with this statutory provision).

ATTACHMENT A

**Bureau of Economic Analysis
National Income and Product Accounts Table**
Table 1.1.4. Price Indexes for Gross Domestic Product
(Index numbers, 2005=100) Seasonally adjusted
Today is: 11/28/2011 Last Revised on November 22, 2011 Next Release Date December 22, 2011

Line		2010 I	2010 II	2010 III	2010 IV
1	Gross domestic product	110.370	110.770	111.162	111.699
2	Personal consumption expenditures	110.774	110.864	111.136	111.673
3	Goods	105.196	104.286	104.497	105.367
4	Durable goods	92.187	91.839	91.058	90.507
5	Nondurable goods	112.818	111.704	112.379	114.082
6	Services	113.758	114.380	114.682	115.037
7	Gross private domestic investment	104.807	104.510	104.765	105.199
8	Fixed investment	104.818	104.893	104.828	105.035
9	Nonresidential	105.237	105.283	105.424	105.536
10	Structures	119.847	120.847	121.399	122.475
11	Equipment and software	99.880	99.677	99.595	99.406
12	Residential	102.598	101.784	101.941	102.583
13	Change in private inventories	---	---	---	---
14	Net exports of goods and services	---	---	---	---
15	Exports	108.965	110.295	110.481	112.757
16	Goods	107.782	109.215	109.388	112.398
17	Services	111.815	112.700	112.885	113.494
18	Imports	113.252	112.610	111.994	114.271
19	Goods	113.051	112.219	111.378	113.780
20	Services	113.763	113.979	114.431	116.088
21	Government consumption expenditures and gross investment	116.812	117.182	117.444	118.341
22	Federal	113.080	113.444	113.759	114.331
23	National defense	113.455	113.834	114.083	114.802
24	Nondefense	112.321	112.655	113.083	113.380
25	State and local	119.030	119.404	119.627	120.757

<http://www.bea.gov/national/nipaweb/TablePrint.asp?FirstYear=2010&LastYear=2011&Freq=Qtr&SelectedTable=4&ViewSe...> 11/28/2011

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Line		2011 I	2011 II	2011 III
1	Gross domestic product	112.390	113.091	113.796
2	Personal consumption expenditures	112.747	113.668	114.317
3	Goods	107.412	108.752	109.531
4	Durable goods	90.382	90.745	90.629
5	Nondurable goods	117.483	119.383	120.707
6	Services	115.574	116.280	116.841
7	Gross private domestic investment	105.758	106.342	106.607
8	Fixed investment	105.412	106.039	106.402
9	Nonresidential	105.909	106.580	106.986
10	Structures	123.982	125.835	127.580
11	Equipment and software	99.446	99.743	99.788
12	Residential	102.958	103.479	103.560
13	Change in private inventories	---	---	---
14	Net exports of goods and services	---	---	---
15	Exports	115.725	116.182	116.737
16	Goods	115.859	116.572	116.979
17	Services	115.282	117.125	118.031
18	Imports	119.370	122.949	122.558
19	Goods	119.847	123.632	123.163
20	Services	117.281	118.754	118.760
21	Government consumption expenditures and gross investment	119.910	121.146	121.615
22	Federal	115.827	116.902	117.422
23	National defense	116.576	117.672	118.130
24	Nondefense	114.333	115.387	116.014
25	State and local	122.372	123.721	123.977

<http://www.bea.gov/national/nipaweb/TablePrint.asp?FirstYear=2010&LastYear=2011&Freq=Qtr&SelectedTable=4&ViewSe...> 11/28/2011

ATTACHMENT B

EFFECTIVE: November 1, 2008

A3. BASIC LOCAL EXCHANGE SERVICE

A3.1 General

- A. Basic local exchange service is comprised of exchange access lines defined as follows:
 Exchange Access Line - The serving central office line equipment and all Company plant facilities up to the demarcation point. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the tariffed use offering selected by the customer.
- B. Exchange access lines are subject to the nonrecurring charges specified in Section A4.
- C. Rates for basic local exchange service are related to the total number of exchange access lines and PBX trunks in the local calling area.
- D. Customers subscribing to a total of 1000 or more PBX trunks or Network Access Registers (NARs), aggregated on a statewide basis, will receive a ten percent discount on the monthly recurring rates for these services and on any billed local usage associated with these PBX trunks or NARs. Service furnished under the Sharing and Resale of Basic Local Exchange Service offering will be excluded. Customer accounts will be reviewed annually to determine eligibility for the discount.
- E. Base Rate Areas, Zone Rate Areas and Exchange Service Areas for each exchange are identified on maps filed as a supplement to this Tariff.
- F. Rate Group Definition

Group	Exchange Access Lines and PBX Trunks Upper Limits
1	7,000
2	15,000
3	28,500
4	50,000
5	78,000
6	125,000
7	Unlimited

A3.2 Statewide Rate Schedules

A3.2.1 Flat Rate Service

- A. Basic Flat Rate Service
- The following statewide schedule of rates is applicable to basic flat rate exchange access line service. The rates specified herein, with zone charges when applicable to service furnished outside the base rate area of an exchange, entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designations of central offices within the serving exchange and basic service area additional exchanges listed in A3.4, Local Calling Areas.
 - Monthly Rates By Rate Group
 - Residence Individual Lines
 - Rate Groups 1 - 4

	Group				USOC	
	1	2	3	4	1FR	(1)
(a) Per line	\$13.30	\$13.78	\$14.25	\$14.72		
(2) Rate Groups 5 - 7						

	Group			USOC	
	5	6	7	1FR	(1)
(a) Per line	\$15.19	\$15.66	\$16.14		

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		Group				USOC IFR	(I)
	(a) Per line	1	2	3	4		
(2) Rate Groups 5 - 7		\$13.61	\$14.10	\$14.58	\$15.06		

		Group			USOC IFR	(I)
	(a) Per line	5	6	7		
		\$15.55	\$16.03	\$16.52		